

**NCSL STANDING COMMITTEE on TECHNOLOGY AND
COMMUNICATIONS**

POLICY DIRECTIVES AND RESOLUTIONS

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COMMITTEE: TECHNOLOGY AND COMMUNICATIONS

POLICY: ARTIFICIAL INTELLIGENCE

**TYPE: AMENDED DIRECTIVE INTRODUCED BY COMMITTEE
CO-CHAIRS REPS CINDY RYU (WA) AND PAUL
CUTLER (UTAH)**

Artificial Intelligence

State Leadership in AI Policy Development

The National Conference of State Legislatures recognizes that AI is transforming society and the economy, with applications in nearly every sector. While AI has the potential to drive innovation, improve services and create efficiencies, it also raises pressing concerns.

State legislatures are at the forefront of addressing these opportunities and risks. Lawmakers are engaging with a diverse set of stakeholders to enact laws and regulations that promote innovation while protecting public interest. These state-led efforts are essential to ensuring that AI technologies are developed and deployed in ways that reflect the unique values, needs and priorities of their communities.

Preserving State Authority in AI Regulation

NCSL strongly opposes any attempt by Congress, federal agencies or the administration to preempt state laws or undermine state authority over AI policy. Preemption would interfere with the ability of states to act swiftly and responsively as technology evolves and would compromise public trust in AI governance.

Federal laws and regulations in the AI space should establish a strong baseline of protections that uphold individual data privacy, ensure transparency in AI-driven decisions and maintain meaningful human oversight over critical systems. NCSL encourages Congress to ensure that consumers retain ongoing, meaningful control over how their data is used in downstream applications, including emerging technologies such as artificial intelligence. This includes consideration of how individuals may exercise rights over data that has been shared, sold or incorporated into automated systems, and how such rights can be implemented in a practical and enforceable manner.

Congress should support states' ability to build upon federal standards to address emerging risks and maintain accountability. Federal policy should include clear savings

clauses, transition periods and mechanisms for coordination that allow states to continue enforcing their laws and adapting to emerging technologies, while working toward shared national goals.

Federal-State Collaboration on AI Governance, Enforcement and Oversight

NCSL urges Congress, federal agencies and the administration to engage with state lawmakers in the development of AI policy. States must be consulted throughout the legislative and regulatory process, and their laws and innovations should be viewed as critical components of a broader national strategy. Effective governance of AI requires sustained intergovernmental collaboration and mutual respect for the dual roles of state and federal governments.

Strong AI governance depends not only on clear rules, but on effective oversight and enforcement. NCSL urges Congress to support state and local enforcement authorities through funding, data sharing, technical expertise and intergovernmental coordination. Federal agencies should partner with states to develop best practices for auditing AI systems, responding to complaints and addressing documented harms, while respecting states' primary role in protecting their residents.

Transparency and Accountability in AI Systems

NCSL supports transparency as a cornerstone of public trust in AI technologies. Individuals have a right to know when AI systems are being used, what the systems were designed for, how decisions are made, and what data is being collected and processed. Equally important is accountability, which ensures that those developing and deploying AI systems have some responsibility for their impacts and outcomes.

Federal Investment in AI Research and Education

NCSL supports responsible federal investment in AI research through institutions such as the National Science Foundation, the National Institute of Standards and Technology, and the National Institutes of Health. These initiatives should include mechanisms for sharing research findings with state policymakers to inform evidence-based decision-making. National Laboratories should also collaborate closely with state and federal governments to ensure AI research aligns with public needs and supports policy development. Additionally, NCSL urges the federal government to launch national education and public awareness campaigns to increase the public's understanding of emerging technologies, including AI technologies, their applications and their implications

Labor Market Data, Workforce Development and Economic Opportunity

Federal policies should improve the availability, timeliness and quality of labor market data related to AI-driven automation, displacement, job creation and job transformation, including efforts to better measure the number and types of jobs being lost, created or materially changed by AI. Such policies should also promote meaningful data sharing between federal agencies and states and ensure that research conducted by the U.S. Department of Labor and its affiliated research centers is regularly shared with states and other stakeholders to support workforce planning and economic development strategies.

NCSL supports ~~robust~~ **responsible** federal investments in workforce development, including upskilling and training programs that ensure students, workers and underserved communities can fully participate in and benefit from the AI-driven economy.

Federal policies should also support efforts to recruit, retain and develop technical talent including through federal funding, fellowships and public-private partnerships that enhance public-sector capacity to implement and oversee AI policy.

Safeguarding Against Malicious Uses of AI

NCSL calls on Congress to partner with states to prevent the creation and distribution of non-consensual AI-generated intimate images and other malicious uses of generative AI, including deepfakes. These technologies pose serious threats to individual rights, dignity and safety. Federal action in this area must complement, not preempt, state efforts to protect their residents.

Cybersecurity

Enhanced federal-state coordination on cybersecurity standards and incident response protocols is essential to protecting critical AI infrastructure that serves citizens and supports economic growth across all levels of government. NCSL urges the federal government to strengthen cybersecurity infrastructure and information sharing mechanisms that support both state and private sector AI systems against evolving cyber threats.

Policymakers should also prioritize resilience planning that ensures continuity of essential services and critical infrastructure in the event of system failures, cyberattacks or disruptions to AI-dependent infrastructure. This includes maintaining a skilled workforce and operational redundancies capable of understanding, managing and restoring critical systems without reliance on automated or AI-driven processes.

Responsible Government Use of AI

State and local governments are increasingly deploying AI systems to deliver public services, manage infrastructure and improve operational efficiency. NCSL urges

Congress and the administration to support responsible government use of AI by promoting transparency, auditability and accountability in procurement and deployment decisions. Federal guidance and funding should help states ensure that AI systems used in high stakes government functions, such as benefits administration, education, healthcare, child welfare, public safety and criminal justice are explainable, regularly evaluated for accuracy and bias and subject to meaningful human oversight.

Targeted, Risk-Based Regulation

AI technologies vary widely in their capabilities and potential impacts. NCSL encourages Congress and the administration to consider a targeted, risk-based, and use-specific approach to AI governance that prioritizes oversight of applications presenting clear and demonstrable risks to individuals' rights, safety and economic opportunity, while supporting continued innovation and economic growth.

States are well positioned to assess risk in context and tailor protections to specific sectors such as employment, housing, education, healthcare and elections. Federal policy should support this approach by establishing narrow baseline expectations for clearly defined high-risk uses, while avoiding unnecessary regulatory burdens and preserving state flexibility to address sector-specific concerns as technology and use cases evolve.

Voluntary incident reporting database

NCSL encourages federal policymakers to establish a voluntary, incident reporting mechanism to support information sharing among regulators, researchers and governments regarding emerging AI risks, system failures and unexpected harmful behavior.

Reporting and Evaluation Requirements

NCSL encourages federal policymakers to require targeted and appropriately scoped transparency and reporting obligations for AI models that have capabilities that present significant national security, public safety or systemic risks. These requirements should be designed to minimize compliance burdens, and intended to enable risk monitoring, inform policymakers and support coordination with state regulators.

Congress and the administration should also require targeted pre-deployment risk evaluations of the most advanced generative AI systems for high-risk capabilities, including the facilitation of chemical, biological, radiological or nuclear harms, with appropriate safeguards, expert oversight and coordination with state authority.

COMMITTEE: TECHNOLOGY AND COMMUNICATIONS

POLICY: MODERNIZING THE UNIVERSAL SERVICE FUND

**TYPE: NEW DIRECTIVE (FORMERLY A RESOLUTION)
INTRODUCED BY DELEGATE LINDA FOLEY (MD)**

The National Conference of State Legislatures (NCSL) affirms that access to secure, reliable and affordable high-speed internet is essential to the nation's economic strength, public safety and democratic participation. Broadband connectivity underpins family life, education, health care, business innovation, emergency response and the delivery of government services at all levels.

NCSL recognizes that the United States must modernize its communications infrastructure to reflect a 21st-century digital reality. Expanding universal access to advanced broadband networks strengthens public safety and resilience by improving emergency communications, disaster recovery and cybersecurity; supports economic growth and innovation by enabling remote work, small business development, STEM education, telehealth and global competitiveness; and helps bridge persistent digital divides that disproportionately affect rural, Tribal and low-income communities.

Universal service policy must also reflect the evolving nature of connectivity. Digital inclusion today depends not merely on basic access, but on robust, high-capacity and scalable broadband infrastructure that allows individuals and communities to fully participate in civic and economic life. Modern broadband infrastructure is a foundational component of a more inclusive, connected and competitive society.

NCSL acknowledges Congress's longstanding commitment to universal service, first established in the Communications Act of 1934 and reaffirmed through the creation of the Universal Service Fund (USF) in the Telecommunications Act of 1996. While the USF has played a critical role in expanding access through programs such as E-Rate and Lifeline, its structure has not kept pace with rapid technological change.

The USF continues to rely heavily on declining revenues from legacy telecommunications services, and its funding mechanisms and focus areas remain largely centered on voice services rather than modern broadband needs. As a result, the current model is increasingly unsustainable and misaligned with the connectivity demands of households, businesses, schools and health care providers. Millions of Americans, particularly in rural and underserved areas, still lack access to reliable, high-speed internet.

NCSL supports modernizing the USF to ensure it remains sustainable and relevant in a broadband-first era. This includes updating the contribution base to reflect how communications

34 services are delivered and used today, while preserving the program’s core mission of ensuring
35 universal, affordable access.

36 Any reforms should complement and support state broadband efforts, respect state authority and
37 provide flexibility for states to address unique local needs and emerging challenges.